Legislative Health Care Commission Questions for UI Health Care

1. What percentage of UIHC uncompensated care is IowaCare?

30.8%

2. What level of subsidization of IowaCare would UIHC accept if fewer IowaCare patients went to UIHC? e.g. more were treated locally and referrals to UIHC were more limited to secondary and tertiary specialty care needs?

The UIHC recognizes the important role IowaCare plays in providing uninsured low-income Iowans with access to health care. We are willing to do our fair share to help make this happen.

When the IowaCare program was created to address the loss of funding associated with intergovernmental transfers, promises were made that UI Health Care would not be worse off as a result of the transition from the State Papers Program to IowaCare. The State Papers Program limited enrollment to 5,084. In FY 09, the UIHC saw nearly three times that many IowaCare patients and volume continues to grow. Given our physicians are not reimbursed, and that we also provide pharmaceuticals and durable medical equipment to this growing population of IowaCare beneficiaries at our own expense, our financial situation under IowaCare has not remained steady.

Many people mistakenly conclude because our physicians are on salary it does not make any difference that they cannot generate income for serving IowaCare patients. In fact, payment by salary is utilized simply to assure that all patients are seen and treated the same regardless of their ability to pay. Similar models exist at the Mayo Clinic, Cleveland Clinic and many other academic health centers. In a world where some patients are more financially attractive than others, differential access can result when personal compensation depends on the mix of patients each physician sees. The salaries we offer are based on market rates, but tend to be low compared to peers and private practitioners. In addition, they are not guaranteed – sufficient revenue must be generated across the practice plan in order for full salaries to be paid. No state salary support is received for the provision of clinical services. Requiring our physicians to spend 10% or more of their time providing services to IowaCare beneficiaries for whom no revenue is earned creates the need for our physicians to work harder to generate revenue elsewhere so their full salary is supported. It also places the whole medical center at risk if not corrected as the best physicians have opportunities elsewhere and millions of dollars in grants could exit the state, or never come at all. Thus, there are real costs and consequences associated with our physicians serving the IowaCare population without reimbursement, even though they are on salary.

It is vitally important that UI Health Care be treated like everyone else when it comes to being a network provider in IowaCare. In particular, all network physicians need to be paid at Medicaid reimbursement rates.

3. What is the geographic breakdown of IowaCare patients who are receiving care at UIHC?

Patients come from all 99 counties in Iowa. More tend to come from eastern Iowa, where most Iowans live, although distance may also be a factor for those in the western portion of the state. Attached is a map showing the number of unique IowaCare patients seen at the UIHC in FY 09.

4. What is the percentage break down of and the types of services, specialty clinics, etc. that IowaCare patients are accessing at UIHC?

There were 108,356 IowaCare patient encounters at the UIHC in FY 09. Sixty one percent of IowaCare patient encounters (65,996) were for specialty care and 39% (42,360) were for primary care. IowaCare patient encounters have been growing steadily since the inception of the program and represented 9.6% of total patient encounters at the UIHC in FY 09, accounting for more than 13% of patient encounters in primary care as well as more than 10% in seven specialty services (see attached spreadsheet).